

**BOARD OF PATENT APPEALS AND INTERFERENCES  
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicants : Timothy M. Keiser *et al.*  
Application No. : 09/465,607  
Confirmation No. : 9080  
Filed : December 17, 1999  
For : COMPUTER-IMPLEMENTED SECURITIES TRADING  
SYSTEM  
Group Art Unit : 3691  
Examiner : Clement Graham  
Attorney Docket No. : 98-HSX001-C1  
Customer No. : 63710

Mail Stop Appeal Brief-Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

**REPLY BRIEF UNDER 37 C.F.R. § 41.4**

Sir or Madam:

This is a Reply to the Examiner's Answer dated November 8, 2012 ("Examiner's Answer"). The Examiner's Answer was responsive to Appellants' Appeal Brief filed September 25, 2012. The Director is hereby authorized to charge any additional fees which may be required, or credit any overpayment, to Deposit Account No. 50-3938.

## (2) RESPONSE TO ARGUMENTS

Appellants hereby incorporate by reference the Argument section of Appellants' Appeal Brief filed November 21, 2011 ("Appeal Brief").

### A. Rejections under 35 U.S.C. § 103: First Group: Claims 23-44

#### 1. First Group: Claims 23-44

a. The cited passages of Traub and Shepherd do not disclose or suggest "setting the initial price . . . based . . . on a potential box office revenue for a movie."

Applicants reiterate that the Office Action does not cite any reference – prior art or otherwise – that discloses or suggests "box office revenue," "potential box office revenue," "a movie," "a movie associated with [a] financial instrument," a "financial instrument" "associated with" "a movie," or an "initial offer price [determined based on] potential box office revenue for a movie," as recited in claims **23**, **31**, and **38** (and incorporated in the claims depending therefrom). Lacking any such disclosures, the cited passages of Traub and Shepherd cannot possibly disclose or suggest "set[ting] . . . an initial price for a derivative financial instrument that represents a movie in an entertainment industry . . . based . . . on a potential box office revenue for [a] movie," as recited or incorporated in claims **23-44**.

b. The rejection improperly relies on factual findings about revenue bonds, bridges, and road projects without evidentiary support.

Page 5 of the Examiner's Answer once again relies on a purported correspondence between road/bridge revenue bonds and movie financings. However, the Examiner has never cited any reference – prior art or otherwise – that discloses any fact about revenue bonds, bridges, roads, or tolls, let alone movies, box office revenues, or the entertainment industry. Accordingly, the Examiner's assertions here have no support and cannot serve as the basis for a rejection.

**ADDITIONAL ARGUMENT OF PATENTABILITY****b2. The purported road/bridge “revenue bonds” do not disclose or suggest a “derivative financial instrument.”**

Furthermore, a road/bridge “revenue bond” does not disclose or suggest a “*derivative financial instrument*.” Notably, a revenue “bond” is not a “*derivative*” financial instrument. (The Examiner’s “revenue bonds” analogy also fails for other reasons discussed in the Appeal Brief.)

**c. The cited passages of Traub and Shepherd do not disclose or suggest a “derivative financial instrument” that “represents” “a movie.”**

Applicants refer to their arguments in the Appeal Brief.

**ADDITIONAL ARGUMENT OF PATENTABILITY****c2. The Examiner has not shown how the cited passages of Traub and Shepherd disclose or suggest “setting . . . a market price for the *derivative financial instrument*.”**

On pages 4-5 the Examiner’s Answer argues that features related to Shepherd’s “compensatory claim contracts” disclose this recitation. However, the Examiner has not shown how a “compensatory claim contract” discloses or suggests a “*derivative financial instrument*,” as recited in the claims. Notably, the word “derivative” does not appear in the cited passages of Shepherd.

**2. Third Group: Claims 27, 28, 35, 42, 49, 50, 58, and 66****a. The cited passages of Traub and Shepherd do not disclose or suggest “wherein the electronic currency comprises virtual currency.”**

As the Examiner’s Answer does not address this argument, Applicants assume the Examiner concedes this point.

**3. Fourth Group: Claims 53, 61, and 69****a. The cited passages of Traub and Shepherd do not disclose or suggest “issuing the bond with a higher yield than another bond that represents**

another movie talent, in which the popularity rating for the movie talent is lower than a popularity rating for the another movie talent.”

As the Examiner's Answer does not address this argument, Applicants assume the Examiner concedes this point.

### CONCLUSION

In view of the foregoing, Appellants submit that all of the pending claims are in proper condition for allowance, and the Board is respectfully requested to overturn the Examiner's rejection of these claims.

Respectfully submitted,

/Thomas D. Bradshaw/

February 7, 2013

Date

---

Thomas D. Bradshaw  
Attorney Reg. No. 51,492  
Attorney for Appellants  
212-294-8055